

STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN

1

**QUARTERLY FINANCIAL REPORTING FORM**

Submitted on 2/15/2004 3:58:40 PM

		1
1.	FOR THE QUARTER ENDING:	December 31, 2003
2.	Name:	ConsumerHealth, Inc. dba Newport Dental
3.	File Number:(Enter last three digits) 933-0	215
4.	Date Incorporated or Organized:	December 4, 1979
5.	Date Licensed as a HCSP:	June 18, 1985
6.	Date Federally Qualified as a HCSP:	N/A
7.	Date Commenced Operation:	December 1, 1979
8.	Mailing Address:	201 E. Sandpointe, Suite 200 Santa Ana, CA 92707
9.	Address of Main Administrative Office:	Same
10.	Telephone Number:	714-668-1300
11.	HCSP's ID Number:	95-3539992
12.	Principal Location of Books and Records:	201 E. Sandpointe, Suite 200 Santa Ana, CA 92707
13.	Plan Contact Person and Phone Number:	Dr. Dennis R. Fratt (714) 668-1300 Ext. 250
14.	Financial Reporting Contact Person and Phone Number:	Brad Schmidt (714) 668-1300 Ext. 254
15.	President:*	Steven C. Bilt
16.	Secretary:*	Dr. Dennis R. Fratt
17.	Chief Financial Officer:*	Bradley E. Schmidt
18.	Other Officers:*	Charles E. Stirewalt, D.D.S. VP
19.		
20.		
21.		
22.	Directors:*	Steven C. Bilt
23.		Dr. Dennis R. Fratt
24.		Eric Boden
25.		
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32.	President	Steven C. Bilt <i>Signature required (please type for valid signature)</i>
33.	Secretary	Dr. Dennis R. Fratt <i>Signature required (please type for valid signature)</i>
34.	Chief Financial Officer	Bradley E. Schmidt <i>Signature required (please type for valid signature)</i>
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.		
35.	Check if this is a revised filing, and complete question 7 on page 2: <input type="checkbox"/>	
36.	If all dollar amounts are reported in thousands (000), check here: <input type="checkbox"/>	

Check My Work.

**STATE OF CALIFORNIA**  
**DEPARTMENT OF MANAGED HEALTH CARE**  
**HEALTH CARE SERVICE PLAN**  
  
**QUARTERLY FINANCIAL REPORTING FORM**  
  
**SUPPLEMENTAL INFORMATION**

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

## REPORT #1 ---- PART A: ASSETS

1	2
<b>CURRENT ASSETS:</b>	Current Period
1. Cash and Cash Equivalents	517,151
2. Short-Term Investments	0
3. Premiums Receivable - Net	0
4. Interest Receivable	0
5. Shared Risk Receivables - Net	0
6. Other Health Care Receivables - Net	6,030,475
7. Prepaid Expenses	115,346
8. Secured Affiliate Receivables - Current	0
9. Unsecured Affiliate Receivables - Current	0
10. Aggregate Write-Ins for Current Assets	295,733
11. TOTAL CURRENT ASSETS (Items 1 to 10)	6,958,705
<b>OTHER ASSETS:</b>	
12. Restricted Assets	50,000
13. Long-Term Investments	0
14. Intangible Assets and Goodwill - Net	5,449,039
15. Secured Affiliate Receivables - Long-Term	0
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	161,728
18. TOTAL OTHER ASSETS (Items 12 to 17)	5,660,767
<b>PROPERTY AND EQUIPMENT</b>	
19. Land, Building and Improvements	0
20. Furniture and Equipment - Net	347,897
21. Computer Equipment - Net	18,146
22. Leasehold Improvements -Net	358,506
23. Construction in Progress	0
24. Software Development Costs	0
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	724,549
27. TOTAL ASSETS	13,344,021
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS</b>	
1001. Supplies	281,436
1002. Deferred Income Tax Asset	0
1003. Other Current Assets	14,297
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	295,733
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS</b>	
1701. Refundable Deposits	65,402
1702. Deferred Income Tax Asset - L/T	96,326
1703. Other Long Term Assets	0
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	161,728
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT</b>	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

## REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
<b>CURRENT LIABILITIES:</b>	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	25,485	XXX	25,485
2. Capitation Payable	0	XXX	0
3. Claims Payable (Reported)	0		0
4. Incurred But Not Reported Claims	0		0
5. POS Claims Payable (Reported)	0		0
6. POS Incurred But Not Reported Claims	0		0
7. Other Medical Liability	0		0
8. Unearned Premiums	90,614	XXX	90,614
9. Loans and Notes Payable	0	XXX	0
10. Amounts Due To Affiliates - Current	928,261	XXX	928,261
11. Aggregate Write-Ins for Current Liabilities	1,212,669	0	1,212,669
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	2,257,029	0	2,257,029
<b>OTHER LIABILITIES:</b>			
13. Loans and Notes Payable (Not Subordinated)	0	XXX	0
14. Loans and Notes Payable (Subordinated)	0	XXX	0
15. Accrued Subordinated Interest Payable	0	XXX	0
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	75,035	XXX	75,035
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	75,035	XXX	75,035
19. TOTAL LIABILITIES	2,332,064	0	2,332,064
<b>NET WORTH</b>			
20. Common Stock	XXX	XXX	2,000
21. Preferred Stock	XXX	XXX	0
22. Paid In Surplus	XXX	XXX	0
23. Contributed Capital	XXX	XXX	9,292,482
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	5,067,475
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	-3,350,000
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	11,011,957
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	13,344,021
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES</b>			
1101. Other Accrued Liabilities	520,068		520,068
1102. Accrued Payroll & Payroll Taxes	450,534		450,534
1103. Accrued Income Taxes Due to Parent	154,117		154,117
1104. Deferred Income Tax	87,950		87,950
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	1,212,669	0	1,212,669
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES</b>			
1701. Deferred Income Tax	0	XXX	0
1702. Other Long-Term Liabilities	75,035	XXX	75,035
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	75,035	XXX	75,035
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS</b>			
2501. Dividends to Stockholders	XXX	XXX	-3,350,000
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	-3,350,000

## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

## REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
<b>REVENUES:</b>		
1. Premiums (Commercial)	156,585	464,695
2. Capitation	714,644	2,801,454
3. Co-payments, COB, Subrogation	3,853,214	15,724,840
4. Title XVIII - Medicare	0	0
5. Title XIX - Medicaid	675,068	3,647,329
6. Fee-For-Service	225,822	947,605
7. Point-Of-Service (POS)	0	0
8. Interest	97	1,110
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	20,224	104,205
11. TOTAL REVENUE (Items 1 to 10)	5,645,654	23,691,238
<b>EXPENSES:</b>		
<b>Medical and Hospital</b>		
12. Inpatient Services - Capitated	0	0
13. Inpatient Services - Per Diem	0	0
14. Inpatient Services - Fee-For-Service/Case Rate	0	0
15. Primary Professional Services - Capitated	2,671,149	11,201,346
16. Primary Professional Services - Non-Capitated	0	0
17. Other Medical Professional Services - Capitated	7,059	40,198
18. Other Medical Professional Services - Non-Capitated	0	0
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	0	0
20. POS Out-Of-Network Expense	0	0
21. Pharmacy Expense - Capitated	0	0
22. Pharmacy Expense - Fee-for-Service	0	0
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	1,846,424	7,104,840
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	4,524,632	18,346,384
<b>Administration</b>		
25. Compensation	365,039	1,989,053
26. Interest Expense	0	0
27. Occupancy, Depreciation and Amortization	140	837
28. Management Fees	0	0
29. Marketing	0	0
30. Affiliate Administration Services	290,400	1,161,600
31. Aggregate Write-Ins for Other Administration	-25,118	120,704
32. TOTAL ADMINISTRATION (Items 25 to 31)	630,461	3,272,194
33. TOTAL EXPENSES	5,155,093	21,618,578
34. INCOME (LOSS)	490,561	2,072,660
35. Extraordinary Item		
36. Provision for Taxes	201,222	820,824
37. NET INCOME (LOSS)	289,339	1,251,836
<b>NET WORTH:</b>		
38. Net Worth Beginning of Period	11,022,618	11,260,121
39. Audit Adjustments	0	0
40. Increase (Decrease) in Common Stock	0	0
41. Increase (Decrease) in Preferred Stock	0	0
42. Increase (Decrease) in Paid in Surplus	0	0
43. Increase (Decrease) in Contributed Capital	0	0
44. Increase (Decrease) in Retained Earnings:	0	0
45. Net Income (Loss)	289,339	1,251,836
46. Dividends to Stockholders	-300,000	-1,500,000
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	11,011,957	11,011,957

## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

## REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES</b>		
1001. Misc. Income	20,224	104,205
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	20,224	104,205
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES</b>		
2301. Occupancy, Depreciation and Amortization	523,157	2,087,676
2302. Lab Fees	306,826	1,270,653
2303. Supplies	338,330	1,177,361
2304. Provision for Uncollectible Accounts	321,222	1,267,247
2305. Other Medical	356,889	1,301,903
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	1,846,424	7,104,840
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES</b>		
3101. Other Professional Fees	2,115	9,702
3102. Courier & Postage	3,457	14,628
3103. Printing - Forms/Letterhead	3,158	23,616
3104. D.M.H.C. Expense	5,951	32,075
3105. Misc. Expense	-1,744	-1,165
3106. Gain/Loss on disposal of Fixed Assets	-38,055	41,848
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	-25,118	120,704
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS</b>		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS</b>		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

**REPORT #3: STATEMENT OF CASH FLOWS**

1	2	3
	Current Period	Year-to-Date
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		
1. Group/Individual Premiums/Capitation	794,528	3,033,606
2. Fee-For-Service	206,014	881,743
3. Title XVIII - Medicare Premiums	0	0
4. Title XIX - Medicaid Premiums	615,636	3,387,647
5. Investment and Other Revenues	18,532	97,817
6. Co-Payments, COB and Subrogation	3,515,223	14,631,900
7. Medical and Hospital Expenses	-3,922,090	-16,371,984
8. Administration Expenses	-457,235	-2,971,097
9. Federal Income Taxes Paid	-262,092	-752,602
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	508,516	1,937,030
<b>CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b>		
12. Proceeds from Restricted Cash and Other Assets	0	0
13. Proceeds from Investments	0	0
14. Proceeds for Sales of Property, Plant and Equipment	100,000	191,103
15. Payments for Restricted Cash and Other Assets	0	0
16. Payments for Investments	0	0
17. Payments for Property, Plant and Equipment	-42,372	-369,068
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	57,628	-177,965
<b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES:</b>		
19. Proceeds from Paid in Capital or Issuance of Stock	0	0
20. Loan Proceeds from Non-Affiliates	0	0
21. Loan Proceeds from Affiliates	0	0
22. Principal Payments on Loans from Non-Affiliates	0	0
23. Principal Payments on Loans from Affiliates	0	0
24. Dividends Paid	-300,000	-1,500,000
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	-1,000
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	-300,000	-1,501,000
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	266,144	258,065
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	251,007	259,086
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	517,151	517,151
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
30. Net Income	289,339	1,251,836
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
31. Depreciation and Amortization	51,747	268,555
32. Decrease (Increase) in Receivables	-495,218	-1,646,638
33. Decrease (Increase) in Prepaid Expenses	15,088	25,744
34. Decrease (Increase) in Affiliate Receivables	0	0
35. Increase (Decrease) in Accounts Payable	4,513	15,485
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	0	0
37. Increase (Decrease) in Unearned Premium	-503	-11,888
38. Aggregate Write-Ins for Adjustments to Net Income	681,606	1,992,088
39. TOTAL ADJUSTMENTS (Items 31 through 38)	257,233	643,346
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	546,572	1,895,182
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>		
2501. Acquisition Costs	0	-1,000
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	-1,000
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME</b>		
3801. Provision for Losses on receivables	321,222	1,267,247
3802. Increase (Decrease) in Compensation Related Liabilities	-113,182	-6,533
3803. Increase (Decrease) in Other Assets and Accrued & Other Liabilities	473,566	731,374
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	681,606	1,992,088

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**REPORT #4: ENROLLMENT AND UTILIZATION TABLE****TOTAL ENROLLMENT**

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	38,066	0	3,908	34,158	108,336	27,158	0	27,158		0	
2. Medicare Risk	0	0	0	0	0	0	0	0			
3. Medi-Cal Risk	11,859	0	1,054	10,805	33,996	8,592	0	8,592		0	
4. Individual	7,480	0	291	7,189	22,004	5,716	0	5,716		0	
5. Point of Service	0	0	0	0	0	0	0	0			
6. Aggregate write-ins for Other	922	243	0	1,165	3,131	926	0	926	0	0	
7. Total Membership	58,327	243	5,253	53,317	167,467	42,392	0	42,392	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group	922	243		1,165	3,131	926		926		0	
602. Healthy Families				0				0			
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699, 698) (Line 6 above)	922	243	0	1,165	3,131	926	0	926	0	0	

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**SCHEDULE A-1 (CASH)**

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. ....	.....	.....
2. ....	.....	.....
3. ....	.....	.....
4. ....	.....	.....
5. ....	.....	.....
6. ....	.....	.....
7. ....	.....	.....
8. ....	.....	.....
9. Total Cash on Deposit		0
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		0

**SCHEDULE A-2 RESTRICTED ASSETS**

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. ....	.....	.....
13. ....	.....	.....
14. ....	.....	.....
15. ....	.....	.....
16. ....	.....	.....
17. ....	.....	.....
18. ....	.....	.....
19. Total Restricted Assets		0

\* Indicate the Balance Per the HMO's Records

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## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

**SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)**

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	N/A					0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
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16.						0
17.						0
18.						0
19.						0
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21.						0
22.						0
23.						0
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32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

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## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

**SCHEDULE D**  
**HEALTH CARE RECEIVABLES &**  
**AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES**

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	NONE					0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
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41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

\*\*

## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

## SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1. N/A						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23. Aggregate Accounts Not Individually Listed - Due						0
24. Total	0	0	0	0	0	0

\*\*

**SCHEDULE G - UNPAID CLAIMS ANALYSIS**  
**SECTION I - CLAIMS UNPAID**

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	0	0	0
2. Physician Claims	0	0	0
3. Referral Claims	0	0	0
4. Other Medical	0	0	0
5. TOTAL	0	0	0

**SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)**

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims	0	0	0	0	0	0
7. Physician Claims	0	0	0	0	0	0
8. Referral Claims	0	0	0	0	0	0
9. Other Medical	0	0	0	0	0	0
10. TOTAL	0	0	0	0	0	0

**SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED\***

1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11.						
12. N/A	0	0	0	0	0	0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0

\* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

\*\*

**STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental**

**SCHEDULE H - AGING OF ALL CLAIMS**

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
1.	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
2.	N/A	0	0	0	0	0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0

\*\*



**STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental**

**SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID**

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag)
1. N/A Current Quarter	0	XXX	0	0
2. Previous Quarter			0	
3. Previous 2 Quarters			0	
4. Previous 3 Quarters			0	
5. Previous 4 Quarters			0	
6. Previous 5 Quarters			0	
7. Previous 6 Quarters			0	
8. Previous 7 Quarters			0	

\* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

\*\*

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NOTES TO FINANCIAL STATEMENTS	
1.	<p>1) The Plan's membership at December 31, 2003, although down from the prior quarter, was approximately equal to the membership at the prior year-end, December 31, 2002. The fluctuation is consistent with prior years' seasonal fluctuations.</p> <p>2) The Plan sold its Van Nuys staff model office on November 30, 2003. This office represented less than 5% of the Plan's Assets, Revenue, Profit and Members. The purchaser enrolled as a contracted provider of the Plan and all membership remained assigned to the location.</p>
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OVERFLOW PAGE FOR WRITE-INS	
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## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

**KNOX-KEENE**  
**SUPPLEMENTAL INFORMATION**  
**PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68**

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.	NONE				
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.	NONE				
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.	NONE				
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	11,011,957
17.	Add: Subordinated Debt			\$	0
18.	Less: Receivables from officers, directors, and affiliates			\$	0
19.	Intangibles			\$	5,449,039
20.	Tangible Net Equity (TNE)			\$	5,562,918
21.	Required Tangible Net Equity (See Page 22)			\$	50,000
22.	TNE Excess (Deficiency)			\$	5,512,918
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	5,645,558
24.	Administrative Costs			\$	630,462
25.	Percentage				11
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	65,824
27.	Total costs for health care services for the immediately preceding six months:			\$	9,199,120
28.	Percentage				1

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	0
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	0
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	0
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	0
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	0
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	0
40. Total premium revenue earned	\$	156,585
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	0
43. Total health care expenditures	\$	4,476,232
44. Percentage		0
45. Point-of-Service Enrollment at end of period		0
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		0
47. Non-Physician		0
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		0
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		0.00
51. Average Length of Stay for Point of Service enrollees		0
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	0
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	0
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	0

**STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental**

**REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:**

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans		Specialized Plans	
		1		2	
<b>A.</b>	Minimum TNE Requirement	\$ 1,000,000		Minimum TNE Requirement	\$ 50,000
<b>B.</b>	REVENUES:				
1.	2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$ 0
	Plus			Plus	
2.	1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$ 0
3.	Total	\$ 0		Total	\$ 0
<b>C.</b>	HEALTHCARE EXPENDITURES:				
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 0
	Plus			Plus	
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$ 0
	Plus			Plus	
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 0
7.	Total	\$ 0		Total	\$ 0
8.	Required "TNE" - Greater of "A" "B" or "C"	\$		Required "TNE" - Greater of "A" "B" or "C"	\$ 50,000

**KNOX -KEENE  
SUPPLEMENTAL INFORMATION  
PURSUANT TO SECTIONS 1374.64**

**POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION**

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	11,011,957
2. Add: Subordinated Debt	\$	0
3. Less: Receivables from officers, directors, and affiliates	\$	0
4. Intangibles	\$	5,449,039
5. Tangible Net Equity (TNE)	\$	5,562,918
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	50,000
7. TNE Excess (Deficiency)	\$	5,512,918
<b>ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):</b>		
<b>I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):</b>		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	50,000
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	0
10. Add lines 8 and 9	\$	50,000
<b>II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):</b>		
<b><u>PART A</u></b>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	0
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	0
13. Add lines 11 and 12	\$	0
<b>III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING</b>		
14. Line 5 (above)	\$	5,562,918
15. Multiply Line 6 (above) by 130%	\$	65,000
16. Difference (Line 14 - Line 15)	\$	5,497,918
<b>If Line 14 is less than Line 15, then monthly reporting is required</b>		

## STATEMENT AS OF 12-31-2003 OF 933-0215 ConsumerHealth, Inc. dba Newport Dental

## WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text" value="0"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text" value="0"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text" value="0"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text" value="0"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text" value="0"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text" value="0"/>
9. Less \$150 million	<input type="text"/>	<input type="text" value="0"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text" value="0"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>



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